

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

Case No. 08-35653

In the matter of:

CIRCUIT CITY STORES, INC. et al

Debtor(s).

SACRAMENTO COUNTY TAX
COLLECTOR'S RESPONSE TO
EIGHTEENTH OMNIBUS OBJECTION

Date: April 14, 2011
Time: 2:00 pm

FILED
APR -4 P 2:29
CLERK
BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

Tax Collector of Sacramento County responds to Circuit City Liquidating Trust's Eighteenth Omnibus Objection to Tax Collector's Claim 14639 as follows:

1. The motion is incomplete. Tax Collector has received only the Objection signed February 28, 2011. Tax Collector's claim is listed in Exhibit C. 18th Objection, Objections to Claims A. Reduction of Certain Partially Invalid Claims sets out in paragraph 22 the general grounds for objection. Exhibit C in comments next to Tax Collector's claim states: "Reduced to reflect the amount of tax based on fair market value of debtor's property subject to tax." Tax Collector has received no affidavit setting out a factual basis for the claimed fair market valuation. Tax Collector has received no memorandum of authorities setting out the legal basis for liquidating trust's objection, beyond bare citation of 11 USC §505. Tax collector believes that bankruptcy court determinations of state tax liability apply state tax laws, except where there is direct contrary authority in bankruptcy law.

2. The tax assessment the liquidating trust contests is based on business property reports from Circuit City itself, which the Sacramento County Assessor used in conjunction with California State Board of Equalization business property depreciation

standards to set the valuation. California Revenue & Tax Code sections require that all property be assessed on the tax lien date (§401.3). The tax lien date is January 1 of the calendar year preceding the fiscal year (§2192). All property must be assessed at full value (§401). Section 110 defines full value as: "(a) Except as is otherwise provided in Section 110.1, "full cash value" or "fair market value" means the amount of cash or its equivalent that property would bring if exposed for sale in the open market under conditions in which neither buyer nor seller could take advantage of the exigencies of the other, and both the buyer and the seller have knowledge of all of the uses and purposes to which the property is adapted and for which it is capable of being used, and of the enforceable restrictions upon those uses and purposes." Tax Collector submits that Circuit City's own business property statements support the assessment and tax claimed. Tax Collector upon request can transmit the business property statements to counsel for the liquidating trust.

Tax Collector request the court to deny the objection to Sacramento County Tax Collector's claim 14639 and allow the claim as submitted.

Dated: 3/31/2011

JULIE VALVERDE, Tax Collector
Sacramento, California

By: William Kwong
WILLIAM KWONG

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In the matter of:

Case No. 08-35653 (KRH)

CIRCUIT CITY STORES, INC. et al

PROOF OF SERVICE BY MAIL

Debtor(s).

I, WILLIAM KWOODA, declare:

I am over the age of 18 years, and not a party to the above-entitled action. My business address is 700 H Street, Suite 1710, Sacramento, California, 95814.

I am readily familiar with the business practices of the collection and processing of correspondence for mailing with the United States Postal Service, and correspondence so collected and processed is deposited with the United States Postal Service on the same date in the ordinary course of business. On 3/31/2011 I served a copy of the:

COUNTY OF SACRAMENTO TAX COLLECTOR RESPONSE TO
EIGHTEENTH OMNIBUS OBJECTION TO SACRAMENTO COUNTY TAX
COLLECTOR'S CLAIM 14639

on the parties interested in said action by placing a true copy thereof enclosed in an envelope or envelopes addressed as follows:

Clerk of the Court
U.S. Bankruptcy Court, Eastern District of Virginia
Martin V. B. Bostetter, Jr. Courthouse
200 S. Washington Street
Alexandria, VA, 22314-5405

Paula S. Beran, Esq
Tavener & Beran, PLC
20 North Eighth Street, 2nd Floor
Richmond, Virginia 23219

and then by sealing each envelope and depositing it in the United States Postal Service following ordinary business practices.

1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct, and that this declaration was executed on 3/31/2011,
3 at Sacramento, California.

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